

AMENDED IN SENATE JULY 15, 2010

AMENDED IN SENATE JUNE 28, 2010

AMENDED IN SENATE JUNE 16, 2010

AMENDED IN ASSEMBLY APRIL 6, 2010

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2776**

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**Introduced by Assembly Members Huffman and Arambula**

(Principal coauthor: Senator Pavley)

(Coauthor: Senator Wolk)

March 1, 2010

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An act to add Article 5 (commencing with Section 1746) to Chapter 10.5 of Part 2 of Division 2 of the Water Code, relating to the State Water Resources Development System.

LEGISLATIVE COUNSEL'S DIGEST

AB 2776, as amended, Huffman. Transfers of water: agricultural use to municipal use.

Existing law authorizes the transfer or exchange of certain water or water rights upon approval by the State Water Resources Control Board of a petition to transfer the water or water rights.

Under existing law, the Department of Water Resources administers water supply contracts pursuant to which water suppliers (contractors) are supplied water from the State Water Resources Development System (State Water Project), in accordance with the California Water Resources Development Bond Act and other provisions of law.

This bill would prohibit the department, with respect to a contractual entitlement to water from the State Water Project, and the state board,

with respect to any other transfer of water or water rights, from approving the transfer of surface water or water rights, or a portion of a contractual entitlement to water from the State Water Project, from agricultural use to municipal use for a period of 20 years or more, unless the water user provides to the department or the state board, as applicable, a written evaluation of the economic, social, and environmental effects of the transfer upon the service area from which the water is to be transferred. The bill would prohibit a water user from replacing specified surface water that is transferred from agricultural use to municipal use with groundwater, unless the groundwater basin of the service area from which the water is to be transferred is monitored *and managed* in accordance with specified requirements. The bill would require the department and the state board to charge specified fees to a water user that is subject to these provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Article 5 (commencing with Section 1746) is  
2 added to Chapter 10.5 of Part 2 of Division 2 of the Water Code,  
3 to read:

4  
5 Article 5. Transfers From Agricultural Use to Municipal Use

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7 1746. (a) This article applies only to a transfer of surface water  
8 or water rights, including any portion of a contractual entitlement  
9 to water from the State Water Resources Development System,  
10 from agricultural use to municipal use for a period of 20 years or  
11 more.

12 (b) (1) A transfer described in subdivision (a), except a transfer  
13 of any portion of a contractual entitlement to water from the State  
14 Water Resources Development System, is subject to petition and  
15 approval by the board pursuant to Article 2 (commencing with  
16 Section 1735).

17 (2) A transfer described in subdivision (a) is subject to approval  
18 by the department, if the transfer involves any portion of a  
19 contractual entitlement to water from the State Water Resources  
20 Development System.

1 1746.5. (a) (1) The board or the department, whichever is  
2 applicable pursuant to subdivision (b) of Section 1746, shall not  
3 approve a transfer of surface water or water rights subject to this  
4 article from agricultural use to municipal use, unless the water  
5 user prepares, or contracts for the preparation of, and provides to  
6 the board or the department, as applicable, a written evaluation of  
7 the economic, social, and environmental effects of the transfer  
8 upon the service area from which the water is to be transferred.

9 (2) The board or the department, as applicable, shall charge a  
10 water user that is subject to this section a reasonable fee to cover  
11 the agency's costs associated with the implementation of this  
12 subdivision, including costs incurred for reviewing the evaluation  
13 described in paragraph (1).

14 (b) (1) A water user shall not replace transferred surface water  
15 that is subject to this article with groundwater, unless the  
16 groundwater basin of the service area from which the water is to  
17 be transferred is regularly, systematically, and logically monitored  
18 in accordance with Part 2.11 (commencing with Section 10920)  
19 of Division 6, *and is managed in accordance with an adopted*  
20 *groundwater management plan that meets the requirements of*  
21 *Section 10753.7.*

22 (2) The department shall charge a water user that is subject to  
23 this subdivision a reasonable fee to cover the department's costs  
24 associated with the implementation of this subdivision, including  
25 costs incurred by the department if the department is required to  
26 perform groundwater monitoring functions pursuant to Section  
27 10933.5 for purposes of this subdivision.